Agricultural and Agriculture-Related Lending by the Small Business Administration

by Jerome M. Stam and George B. Wallace[1]

The Small Business Administration (SBA) has made agricultural and agriculture-related loans since soon after its founding in 1953, although agriculture is a very small part of its focus. During 1954-96, SBA made 115,327 direct and guaranteed agricultural and agriculture-related loans totaling $7.7 billion with an average loan size of $67,042. These included loans made for (1) crop and livestock production and for (2) agricultural services. The loans were for business uses, with disaster relief composing about three-fifths of the dollar volume. In 1986, SBA stopped making disaster business loans to farm enterprises for crop or livestock production purposes. At the end of fiscal 1996, $1.3 billion in SBA agricultural and agriculture-related service direct and guaranteed loans were outstanding.

Introduction

This article examines the agricultural and agriculture-related lending authority and activities of the Small Business Administration and makes comparisons with the activities of USDA's Farm Service Agency (FSA). Although the SBA has a long record of agricultural production and agriculture-related services lending, not a great deal is known about its agricultural loan activities. The impetus for this work stemmed from a Congressionally mandated rural credit study under Title VI, Subtitle D, Section 650 of the Federal Agriculture Improvement and Reform Act of 1996 (the 1996 farm legislation) approved by Congress in late March and signed by President Clinton on April 4, 1996 (Public Law 104-127; United States Code 7201 et seq.). The legislation called on the Secretary of Agriculture to report to the Senate and House Agriculture Committees "...on the demand for and availability of credit in rural areas for agriculture, housing, and rural development." The SBA loan data and some of the information reported in this article were provided to ERS under the auspices of the mandated study.

SBA Agricultural and Agriculture-Related Lending Programs

The SBA was established in 1953 as an independent agency of the Federal government to administer a set of Federal programs and policies focused on small businesses unable to obtain credit from the private sector. The agency operates 84 field offices, 900 small business development centers, and more than 400 Service Corps of Retired Executives (SCORE) offices. SBA provides guaranteed, direct, and immediate participation loans to small businesses to help them finance plant construction, conversion, or expansion and the acquisition of equipment, facilities, machinery, supplies, and materials. It also provides working capital. Since enactment of Public Law 94-305 on June 4, 1976 (90 Stat. 663), farming enterprises are included within the term "small business concerns," but some agricultural loans were made each year beginning in 1954.

SBA defines an eligible small business as one that is independently owned and operated and not dominant in its field of operation. The definition of a small business varies from industry to industry to adequately reflect industry differences. SBA has developed standards that define the maximum size of an eligible small business. For agriculture the maximum size ranges from $500,000 to $9 million in average annual sales over the 3 previous years depending on the type of agricultural firm (based on the Standard Industrial Classification [SIC] code). (All of the crop and livestock maximum loan sizes range between $500,000 and $1.5 million except for the $9-million limit for chicken egg production.)

Agricultural Business Loans. Most SBA agricultural business loans are made under the auspices of its Section 7(a) guaranteed loan program. SBA's general business guaranteed loan program relies on private lenders to identify prospective candidates and originate loans covered in part by SBA's guarantee. The guarantee makes it possible for banks to lend to businesses that would not otherwise qualify for loans. But because loans are only partially guaranteed, banks have an incentive to screen out risky loan applications. Several program characteristics must be taken into account when evaluating how well the program reflects small-business credit markets generally.

SBA guarantees loans to both new and existing businesses. SBA encourages longer-term small business financing, with maturities based on the applicant's ability to repay, the loan purpose, and the useful life of the assets being financed. Maximum loan maturities are 25 years for real estate and equipment, and 7 years (up to 10 years to ensure repayment) for working capital.

The borrower and lender negotiate loan interest rates, but rates are subject to SBA maximums that are pegged to the prime rate. Interest rates may be fixed or variable. Rates on loans over $50,000 must not exceed the prime rate plus 2.25 percent for maturities under 7 years, and prime plus 2.75 percent for maturities of 7 years or more. For loans between $25,000 and

[1]*Leader and Financial Economist, respectively, Finance Team, Rural Economy Division, Economic Research Service.*

$50,000, the maximum spreads over prime increase to 3.25 percent and 3.75 percent, respectively, and reach 4.25 percent and 4.75 percent for loans below $25,000. Variable rate loans carry the same maximum spreads but the resulting rate can change over time.

SBA funds part of its program by charging borrowers a one-time guarantee fee when the loan is approved. This fee is 2 percent of the first $80,000 guaranteed, and increases in several steps to 3.875 percent of guaranteed amounts greater than $500,000. Loans are also subject to a 50 basis-point annualized servicing fee, which is applied to the outstanding balance of the portion guaranteed by SBA.

SBA usually guarantees 80 percent of loans in amounts below $100,000 and 75 percent of loans above $100,000. Higher average guarantee ratios have applied in the past. The maximum amount guaranteed generally cannot exceed $750,000, which means given a 75-percent loan guarantee, under current rules the total loan is limited to $1 million.

Agricultural Disaster Loans. SBA's Disaster Loans are federally subsidized direct loans. They are the primary form of Federal assistance for nonfarm, private sector disaster losses to assist victims of floods, riots, or other sudden catastrophes pursuant to Section 7(b) of the Small Business Act. Direct subsidized loans are also made to assist nonfarm small businesses and small agricultural cooperatives without credit elsewhere that have sustained substantial economic injury resulting from natural disasters.

SBA provides disaster loans in counties declared as disaster areas by the President (the same areas served by the Federal Emergency Management Agency) or the administrator of SBA at the request of State governors. In short, under certain criteria SBA can make: (1) Physical Disaster Loans for (a) *homes* or (b) *nonfarm businesses*; and (2) Economic Injury Disaster Loans for *nonfarm businesses*.

SBA Physical Disaster loans can be used to repair, rehabilitate, or replace property physically damaged or destroyed in a declared disaster area. SBA can only make Physical Disaster *farm* loans for damage to the farm *home* (for farm crop and livestock production businesses--SIC Major Groups 01 and 02). These loans for the *home* can be made to cover damage to or loss of both a farmer's home, household, or personal effects and are the only SBA disaster loan category that affects assets used directly in the farm business.

In addition, SBA can make direct federally subsidized disaster loans to small agri-dependent businesses and small agriculture-related cooperatives (SIC Major Group 07) who do not have credit available elsewhere and who are located in disaster areas designated by the Secretary of Agriculture. These economic injury loans are limited working capital loans to help keep the business operating until it can recover from the effect of the disaster. In the USDA Secretarial-designated disaster areas, such loans are limited to small businesses that are adversely affected by crop or livestock losses and the resultant loss of farm income, such as farm implement dealers, seed and feed dealers, and contract harvesters. Only small businesses that are not primarily agricultural enterprises are eligible. *The data analysis that follows in this article includes only information on disaster business loans and excludes disaster home loans.*

Through time, SBA emphasis in the disaster loan area vis-a-vis agriculture has varied. For example, Public Law 94-305 enacted on June 4, 1976, enabled SBA to make more loans available to farmers under its Physical Disaster Loan Program and this occurred beginning in mid-1977. This resulted from revised interpretations in June 1977 where production crop loss due to drought or other weather variance was qualified as physical property damage. But this was reversed by statute in 1986 (P.L. 99-272, Sec. 18006, Apr. 7, 1986), so today SBA makes disaster loans only for (1) *farm homes* or (2) *agriculture-related service industry homes* or *business enterprises*. Farm disaster agricultural production-purpose loans are barred.

FSA Farmer Loan Programs Compared

Farm lending by the FSA is probably the most familiar of the government loan programs in rural areas. The FSA operates nearly 3,300 offices and administers USDA's commodity income and price support programs, farm credit programs, and Federal crop insurance programs. FSA provides farm loans to producers unable to obtain credit elsewhere at reasonable rates and terms. FSA loans serve as the Federal government's primary credit safety net for agricultural producers. Also, to qualify for loans, an applicant must demonstrate sufficient farm training or farm experience and be, or will become, an operator of a family-sized (or smaller) farm. Many provisions of the 1996 farm legislation are designed to better ensure the programs serve as temporary and supervised sources of credit and that the programs better serve beginning farmers and ranchers.

FSA provides credit assistance to farmers through two mechanisms: loan guarantees and direct loans. Direct loans are made and serviced directly by FSA staff, often at subsidized interest rates and concessionaire terms and collateral requirements. FSA also guarantees certain types of loans made and serviced by qualified commercial or cooperative lenders. Interest rates on guaranteed loans can be subsidized by FSA.

Under a guaranteed loan, FSA guarantees repayment of up to 90 percent of a loan made by a qualifying lender if the borrower defaults. A 95-percent guarantee is available for the refinancing of direct loan program indebtedness. FSA's guarantee is transferable and so many guaranteed loans are sold through formal and informal secondary markets. Commercial banks are the major source of guaranteed loans, accounting for over three-quarters of the volume. Relative to its overall market share of total farm debt, the Farm Credit System is a relatively minor user of the guarantee program.

FSA offers three groups of loan programs: farm ownership (FO), operating loans (OL), and emergency disaster (EM) loans. FO direct and guaranteed loans are available for the purchase or improvement of farm real estate and guaranteed loans also are available to help owner-operators restructure their debts using real estate equities. Loans are capped at $200,000 for a direct loan and $300,000 for a guaranteed loan. OL loans are available for a variety of purposes, including the purchase of livestock and farm equipment, annual operating expenses, the refinancing of existing indebtedness, and essential family living expenses. The loan limit is $200,000 for a direct loan and $400,000 for a guaranteed loan.

Emergency loans are made directly by FSA. EM loans are available to producers in designated areas where property damage or severe production losses have occurred due to a natural disaster, such as a flood or drought. Loans are made for the actual losses arising from the natural disaster for amounts up to a maximum of $500,000 per applicant. EM loans may be made to repair, restore, or replace damaged farm property and to compensate for loss of income based on reduced production of crops or livestock resulting from the disaster. For EM loan requests over $100,000, the applicant must provide the FSA with written confirmation from two commercial lenders that the requested credit could not be obtained.

The size of farm loan programs was curtailed in the 1980s, with annual obligations falling from $8.1 billion in fiscal 1981 to $2.2 billion in fiscal 1989. Total obligations have ranged between $2.1 and $2.7 billion in the 1990s and were $2.68 billion in fiscal 1996. Some 37,000 loans were made in fiscal 1996. Total FSA farm loan funding for fiscal 1997 is $3.2 billion. Demand for direct OL and FO and guaranteed FO loans usually is near or exceeds annual authority. The guaranteed OL program historically has had ample lending authority and most of the unobligated lending resources at yearend are located in this program. Demand for emergency loans is subject to annual variations in weather conditions.

Outstanding direct loan volume is $11 billion and guaranteed volume is $6 billion. FSA has approximately 117,000 active direct loan program borrowers and 39,000 active guaranteed loan program borrowers. FSA's share of total outstanding farm debt continues to shrink due to stable annual lending authorities and principal write-offs. Direct and guaranteed loan volume share of total farm debt is about 10 percent, down from a 17-percent peak in the 1980s.

Under guaranteed loans, rates are negotiated between the lender and the borrower, but are not to exceed the average rate the lender offers to its farm customers. This requirement and the government assumption of risk provide borrowers with more favorable rates than otherwise might be obtainable. FSA can provide interest rate subsidies of up to 4 percentage points on guaranteed loans. In fiscal 1996, 14 percent of guaranteed loan volume was made at subsidized rates.

SBA/FSA Working Relationships

Both the SBA and FSA are government lenders with some similarities but with very different emphases. FSA has a major focus on lending to the agricultural sector while the SBA's agricultural lending comprises only a small subset of its activities. There is some overlap of authority and the two agencies have developed memoranda of understandings (MOU's) at various times to delineate responsibilities to agricultural and other rural customers.

Historically, SBA treated agricultural businesses and farmers as eligible and the same as any other applicant except as provided under the following rules. SBA loan offices should be generally familiar with the FSA's (formerly the Farmers Home Administration's--FmHA's) loan programs and eligibility requirements. Potential applicants that meet FSA eligibility requirements should, at the time of the initial interview, be encouraged to contact the appropriate FSA county office for assistance, especially if the applicant has or presently is borrowing through FSA. However, neither SBA nor FSA will refuse to consider a loan request from an eligible applicant who chooses to file with either agency, and applicants are not to be referred back and forth between FSA and SBA. Applicants who are clearly ineligible for FSA assistance are not to be referred to FSA.

Applicants should not apply to two Federal agencies to borrow funds for the same purpose. Therefore, if either FSA or SBA can make the entire loan, the applicant should not be referred to the other agency for part of the funds needed. Applicants who are denied FSA assistance for any reason, including lack of FSA funding, may contact SBA for assistance. However, applicants turned down by FSA for credit reasons are rarely creditworthy for SBA's loan program.

SBA Agricultural Loan Data

The SBA data include loans classified under the four-digit code of the Standard Industrial Classification (SIC) codes of the Office of Management and Budget. The SIC code is the classification standard underlying all industry-based Federal economic statistics. The SBA agricultural loans include those made for SIC Major Group 01--crop production (cash grains, field crops except cash grains, vegetables and melons, fruits and tree nuts, horticultural specialties, and general crop farms), SIC Major Group 02--livestock production (livestock except dairy and poultry, dairy, poultry and eggs, animal specialties, and general animal farms), and SIC Major Group 07--agricultural services (soil preparation, crop, veterinary, animal services except veterinary, farm labor and management, and landscape and horticultural).

The relative importance of business loans to agricultural services in the total SBA agricultural business loan mix has varied considerably over time. In fiscal 1996, 61.1 percent of the agricultural business loan dollar volume went for agriculture-related business services as opposed to agricultural production. Ten years earlier, the services share was 38.8 percent, but in fiscal 1976 it was 95.4 percent.

SBA Agricultural and Agriculture-Related Lending

SBA agricultural and agriculture-related business and disaster business loans approved during 1954-96 are shown in table A-1. The data demolish two misconceptions concerning SBA agricultural lending. First, the idea that SBA lending to the agricultural sector only began in the mid- to late 1970s is not true. SBA agricultural and agriculture-related lending began, although not at a high level, soon after the agency was established in 1953. Second, the concept that SBA agricultural loans are almost all disaster business loans is not true. Disaster business loans comprised 60.6 percent of the dollar value of all SBA agricultural loans approved during 1954-96, but were relatively unimportant for significant periods. During 1954-59, only 22.3 percent of the loans (in dollar terms) were disaster business loans; for 1960-69 it was

18.1 percent. The ratio jumped to 81.8 percent during 1970-79 and 71.5 percent in 1980-89, but fell to 5.3 percent in 1990-96.

During 1954-96, the SBA made 115,327 agricultural loans totaling $7,731.8 million with an average loan size of $67,042. Some 94,843 loans were for disaster business purposes (82.2 percent of the total) and the balance of 20,484 were for business purposes. But the disaster business loans were much smaller. The average disaster business loan was $49,385 and the average business loan was $148,798, making the disaster business loans only a third the size of the business loans.

The total amount of SBA agricultural and agriculture-related lending activity has varied greatly through time (table A-2). Some 79.8 percent of the loans and 61.4 percent of the dollar volume occurred during 1978-81. This period accounts for 93.1 percent of all of the agricultural disaster business loans (and 91.9 percent of loan dollar volume) that have been made during 1954-96. During 1978-81, 96 percent of loans and 90.7 percent of dollar volume went for disaster business loans. The rapid expansion in SBA agricultural and agriculture-related lending starting in fiscal 1978-81 and beyond caused SBA agricultural loans outstanding to increase to a 1980s' high of $3.2 billion in 1982.

It is revealing to compare SBA agricultural and agriculture-related loan sizes with those of other agricultural lenders. SBA business agricultural and agriculture-related loans averaged $214,628 per loan during 1990-96 with the largest average being $253,364 in 1993. Disaster business agriculture-related loans averaged $67,042 for 1990-96 and peaked at $91,590 in 1991. For fiscal 1996, guaranteed FSA farm ownership loans averaged $170,945 and operating loans averaged $114,971 for an overall average of $126,992. The FSA guaranteed farm credit loans on the books as of June 27, 1996, had an average size of $97,338. (SBA agricultural loans are larger than FSA's as expected given SBA's authority to make larger loans.) Federal Reserve Board estimates indicate an average commercial bank nonreal estate farm loan for 1995 of $33,800. FCS Farm Credit Banks had an average loan size of $76,698 on June 30, 1996.

SBA agricultural and agriculture-related total (direct and guaranteed) loan volume has varied a considerable amount through the years with the peak of 48,579 loans valued at $2 billion in 1978. Data for fiscal 1996 show 1,550 loans worth $261,014,189. FSA made 14,575 guaranteed farm loans in fiscal 1996 valued at $1.85 billion (11,445 operating loans worth $1.31 billion and the balance ownership loans). In 1995 commercial banks made an estimated 2.49 million nonreal estate loans valued at $84.1 billion to farmers (the bank loans include SBA and FSA guaranteed loans).

Total direct and guaranteed SBA agricultural and agriculture-related business and disaster business loans outstanding at the end of fiscal 1996 were $1.3 billion with 21.4 percent of this total being disaster loans (table A-3). Total direct and guaranteed dollar loan volume outstanding grew 40.5 percent during fiscal 1992-96, spurred by a 141.3-percent growth in the value of the business loan portfolio outstanding. Disaster business dollar loan volume outstanding declined 44.6 percent during this period. The SBA total of $1.3 billion for fiscal 1996 compares with the total farm business debt of $155.5 billion at yearend 1996.

Conclusions

SBA has been a lender to the agricultural and agriculture-related sectors since shortly after its formation in 1953 and currently holds or has guaranteed a $1.3-billion loan portfolio in this area. Total farm business debt was $155.5 billion at the end of calendar 1996. But the evidence shows that SBA is a niche lender to agriculture and agriculture-related services. Both the SBA and FSA are government lenders, but with very different emphases. FSA has a major focus on lending to the agricultural sector while SBA's agricultural lending comprises only a small subset of its activities. The SBA during 1954-96 made 115,327 agricultural and agriculture-related services loans totaling $7.7 billion with an average loan size of $67,042.

Disaster business loans comprised about three-fifths of the dollar value of all SBA agricultural and agriculture-related loans approved during 1954-96, but were relatively unimportant for significant periods. SBA agricultural and agriculture-related lending activity has varied considerably through the years. Some 93.1 percent of all the agricultural and agriculture-related disaster business loan numbers and 91.9 percent of the dollar volume made during 1954-96 were approved during 1978-81.

In terms of loan numbers for 1954-96, 82.2 percent of the agricultural and agriculture-related loans were for disaster business purposes, but the disaster business loans were relatively small. The average disaster business loan was $49,385 and the average business loan was $148,798. SBA agricultural business loans averaged $214,628 in size during 1990-96; disaster business loans averaged $66,737. For fiscal 1996, guaranteed FSA farm ownership loans averaged $170,945 and operating loans averaged $114,971 for an overall average of $126,992. SBA agricultural loans thus are larger than FSA's, which is consistent with SBA's authority to make somewhat larger loans.

Table A-1—Small Business Administration agricultural and agriculture-related business and disaster business loans approved, 1954-96 1/

Fiscal year	Business loans			Disaster business loans		
	Loans	Total amount	Average loan size	Loans	Total amount	Average loan size
	Number	----------------*Dollars*--------------		*Number*	------------------*Dollars*-------------	
1954	11	524,805	47,710	5	126,470	25,294
1955	19	937,500	49,342	1	4,150	4,150
1956	31	1,206,500	38,919	35	566,540	16,187
1957	75	3,166,548	42,221	15	463,400	30,893
1958	117	4,105,269	35,088	132	2,880,408	21,821
1959	144	7,006,368	48,655	36	824,670	22,908
1960	59	2,959,500	50,161	7	60,600	8,657
1961	77	3,537,786	45,945	15	303,400	20,227
1962	88	3,494,450	39,710	16	185,290	11,581
1963	93	4,423,192	47,561	10	93,300	9,330
1964	84	4,064,269	48,384	6	305,850	50,975
1965	170	5,947,703	34,986	38	721,250	18,980
1966	122	5,213,505	42,734	46	1,896,140	41,220
1967	150	6,838,150	45,588	12	876,500	73,042
1968	207	11,346,420	54,814	274	7,142,800	26,069
1969	195	12,474,673	63,973	46	1,725,480	37,510
1970	227	12,481,135	54,983	27	826,330	30,605
1971	285	15,487,016	54,340	94	2,723,950	32,428
1972	407	31,490,606	77,372	13	637,226	49,017
1973	605	48,577,816	80,294	9	642,300	71,367
1974	473	34,902,838	73,790	3	298,500	99,500
1975	388	25,448,398	65,589	11	933,700	84,882
1976	528	44,842,018	84,928	71	6,279,000	88,437
1977	1,402	151,299,165	107,917	861	45,820,883	53,218
1978	1,370	164,940,232	120,394	47,209	1,847,662,789	39,138
1979	925	100,766,170	108,936	16,059	917,038,919	57,104
1980	739	89,826,902	121,552	6,867	442,540,974	64,445
1981	640	85,535,218	133,649	18,198	1,096,423,859	60,250
1982	334	40,965,939	122,653	438	33,906,530	77,412
1983	493	79,463,878	161,184	136	14,271,600	104,938
1984	463	73,144,834	157,980	1,048	61,270,200	58,464
1985	339	49,106,037	144,856	554	46,765,500	83,873
1986	314	51,744,580	164,792	1,014	47,906,100	47,245
1987	406	68,009,499	167,511	47	3,047,600	64,843
1988	365	67,925,928	186,098	9	387,500	43,056
1989	480	90,935,085	189,406	92	3,573,600	38,843
1990	537	104,185,496	194,014	157	7,531,200	47,969
1991	585	117,795,067	201,359	106	9,708,500	91,590
1992	895	202,835,441	226,632	126	9,775,400	77,583
1993	1,102	279,207,521	253,364	393	29,023,400	73,851
1994	1,403	350,460,671	249,794	247	15,937,800	64,526
1995	1,781	338,838,325	190,252	166	10,222,700	61,583
1996	1,356	250,515,089	184,746	194	10,499,100	54,119

1/ Includes both direct and guaranteed loans made under the Standard Industrial Classification crop production, livestock production, and agricultural services categories.

Source: Small Business Administration.

Table A-2—Small Business Administration total agricultural and agriculture-related business and disaster business loans approved, 1954-96 1/

Fiscal year	Loans	Total amount	Average loan size
	Total agricultural and agriculture-related loans		
	Number	---------------------------*Dollars*--------------------------	
1954	16	651,275	40,705
1955	20	941,650	47,083
1956	66	1,773,040	26,864
1957	90	3,629,948	40,333
1958	249	6,985,677	28,055
1959	180	7,831,038	43,506
1960	66	3,020,100	45,759
1961	92	3,841,186	41,752
1962	104	3,679,740	35,382
1963	103	4,516,492	43,849
1964	90	4,370,119	48,557
1965	208	6,668,953	32,062
1966	168	7,109,645	42,319
1967	162	7,714,650	47,621
1968	481	18,489,220	38,439
1969	241	14,200,153	58,922
1970	254	13,307,465	52,392
1971	379	18,210,966	49,352
1972	420	32,127,832	76,495
1973	614	49,220,116	80,163
1974	476	35,201,338	73,952
1975	399	26,382,098	66,121
1976	599	51,121,018	85,344
1977	2,263	197,120,048	87,106
1978	48,579	2,012,603,021	41,429
1979	16,984	1,017,805,089	59,927
1980	7,606	532,367,876	69,993
1981	18,838	1,181,959,077	62,743
1982	772	74,872,469	96,985
1983	629	93,735,478	149,023
1984	1,511	134,415,034	88,958
1985	893	95,871,537	107,359
1986	1,328	99,650,680	75,038
1987	453	71,057,099	156,859
1988	374	68,313,428	182,656
1989	572	94,508,685	165,225
1990	694	111,716,696	160,975
1991	691	127,503,567	184,520
1992	1,021	212,610,841	208,238
1993	1,495	308,230,921	206,175
1994	1,650	366,368,471	222,041
1995	1,947	349,061,025	179,281
1996	1,550	261,014,189	168,396

1/ Includes both direct and guaranteed loans made under the Standard Industrial Classification crop production, livestock production, and agricultural services categories.

Source: Small Business Administration.

Table A-3—Small Business Administration agricultural and agriculture-related business and disaster business loans outstanding, 1992-96

Fiscal year ending Sept. 30	Business loans 1/		Disaster business loans 2/		Total loans	
	Loans	Total amount	Loans	Total amount	Loans	Total amount
	Number	*Dollars*	*Number*	*Dollars*	*Number*	*Dollars*
1992	2.946	422,998,417	12,188	500,951,198	15,134	923,949,615
1993	3,440	559,966,595	9,985	433,216,214	13,425	993,182,809
1994	4,089	736,389,454	8,468	366,840,771	12,557	1,103,230,225
1995	5,196	932,825,366	7,375	315,017,952	12,571	1,247,843,318
1996	5,749	1,020,500,339	6,248	277,744,905	11,997	1,298,245,244

1/ Includes both direct and guaranteed loans made under the Standard Industrial Classification (SIC) code crop production, livestock production, and agricultural services categories. 2/ Includes Physical Disaster Loans for agriculture-related service businesses. Disaster loans to cover damages or losses to farm real estate or personal property such as crops, livestock or equipment, or loss of income from the farming operation (which are covered by USDA's Farm Service Agency's programs) have been prohibited since 1986.

Source: Small Business Administration.